

The resolution was read.

Senator Pollard moved that the resolution be referred to the committee on State Affairs, and the motion to refer was lost.

On motion of Senator McMillin, the resolution was laid on the table subject to call.

Adjournment.

On motion of Senator Holbrook, the Senate at 10:10 a. m. adjourned until next Monday at 10 o'clock a. m.

SECOND DAY.

Senate Chamber,
Austin, Texas,
Monday, May 21, 1923.

The Senate met at 10 o'clock a. m., pursuant to adjournment, and was called to order by Lieutenant Governor T. W. Davidson.

The roll was called, the following Senators answering to their names:

Bailey.	Pollard.
Bledsoe.	Rogers.
Bowers.	Strong.
Darwin.	Stuart.
Davis.	Thomas.
Doyle.	Turner.
Floyd.	Watts.
Holbrook.	Witt.
McMillin.	Woods.

Absent.

Baugh.	Murphy.
Burkett.	Parr.
Clark.	Rice.
Cousins.	Ridgeway.
Fairchild.	Wirtz.
Lewis.	Wood.

It was announced that there was no quorum present.

Adjournment.

Senator Darwin moved that the Senate stand adjourned until 4 p. m. tomorrow, and the motion was lost.

Senator Stuart moved that the Senate stand adjourned until 5 p. m. tomorrow, and the motion was lost.

On motion of Senator Darwin, the Senate at 10:50 a. m. adjourned until 2 p. m. tomorrow.

THIRD DAY.

Senate Chamber,
Austin, Texas,
Tuesday, May 22, 1923.

The Senate met at 2 o'clock p. m., pursuant to adjournment, and was called to order by Lieutenant Governor T. W. Davidson.

The roll was called, a quorum being present, the following Senators answering to their names:

Bailey.	Parr.
Baugh.	Pollard.
Bledsoe.	Rice.
Bowers.	Ridgeway.
Clark.	Rogers.
Cousins.	Strong.
Darwin.	Stuart.
Davis.	Thomas.
Doyle.	Turner.
Floyd.	Watts.
Holbrook.	Witt.
Lewis.	Wood.
McMillin.	Woods.

Absent—Excused.

Burkett.	Murphy.
Fairchild.	Wirtz.

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Watts.

(See Appendix for committee reports, petitions and memorials.)

Excused.

Senator Burkett for today, on account of important business, on motion of Senator Pollard.

Senator Fairchild for today, on account of important business, on motion of Senator Cousins.

Senators Murphy and Wirtz for today, on account of important business, on motion of Senator Doyle.

Bills on First Reading.

The following bills, introduced today, were each read first time and referred to appropriate committees as follows:

By Senator Wood:

S. B. No. 3, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employes of certain educational institu-

tions and other expenses of maintaining and conducting them as follows, to-wit: University of Texas, including the Medical Branch at Galveston, and the College of Mines and Metallurgy at El Paso, Agricultural and Mechanical College, State Experimental Stations, Prairie View Normal and Industrial College, John Tarleton Agricultural College, Grubbs Vocational College, hereafter to be known as the North Texas Junior Agricultural College, College of Industrial Arts, Texas Technological College, Sam Houston State Teachers College at Huntsville, Southwest Texas State Teachers College at San Marcos, North Texas State Teachers College at Denton, West Texas State Teachers College at Canyon, East Texas State Teachers College at Commerce, Sul Ross State Teachers College at Alpine, Stephen F. Austin State Teachers College at Nacogdoches, South Texas State Teachers College at Kingsville, Texas School for the Blind and Texas School for the Deaf, for the years beginning September 1, 1923, and ending August 31, 1925, and declaring an emergency."

To the Committee on Finance.

By Senator Wood:

S. B. No. 4, A bill to be entitled "An Act making appropriations for the State Government for two years beginning September 1, 1923, and ending August 31, 1925, and for other purposes and prescribing certain regulations and restrictions in respect thereto; and declaring an emergency."

To the Committee on Finance.

By Senator Wood:

S. B. No. 5, A bill to be entitled "An Act making appropriation to pay salaries of judges, and the support of the Judicial Department of the State Government for the two years beginning September 1, 1923, and ending August 31, 1925."

To the Committee on Finance.

By Senator Wood:

S. B. No. 6, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employes of certain eleemosynary institutions of the State and other expenses of maintaining and conducting them for the two fiscal years beginning September 1, 1923, and ending August 31, 1925, as follows, to-

wit: Confederate Woman's Home; State Confederate Home; State Lunatic Asylum; State Pasteur Institute; Southwestern Insane Asylum; North Texas Hospital for the Insane; East Texas Hospital for the Insane; State Epileptic Colony; State Orphan's Home; State Institution for Training Juveniles; Girls' Training School; State Colony for Feeble-minded; State Tuberculosis Sanatorium; Hospital for Crippled Children; Deaf, Dumb and Blind Institute for Colored Youths; Northwest Texas Insane Asylum; State Home for Dependent and Neglected Children; and declaring an emergency."

To the Committee on Finance.

By Senator Wood:

S. B. No. 7, A bill to be entitled "An Act for the purpose of promoting the public school interests of rural schools and those of small towns, of aiding the people to provide adequate school facilities for the education of their children, by the appropriation of two million dollars per year, or so much thereof as may be necessary, for the next two fiscal years, ending August 31, 1924, and August 31, 1925, respectively, allowing the State Board of Education and the State Superintendent of Public Instruction to aid such schools in accordance with the conditions herein specified; providing how such schools shall be located and school buildings constructed, furnished, and maintained; providing certain prerequisites for the granting of such aid, and providing no school having over five hundred scholastics shall receive such aid, giving preference to all school districts in which the available school fund together with the local district tax will not maintain the school six months in the year; limiting the amount which any school may receive; providing for aid for schools where extraordinary conditions prevent schools from meeting stated requirements; providing assistance for such rural schools as will afford instructions and demonstration in home and farm vocations, according to plans approved by the State Department of Education; providing assistance for small districts which effect consolidation during the next two fiscal years; providing for the expenses of administration by action of the State Board of Education; pro-

viding for reports to be made to the State Superintendent of Public Instruction and to the State Board of Education; providing for the manner of payment and disbursement of all money granted under the provisions of this Act; repealing all laws and parts of laws in conflict herewith."

To the Committee on Finance.

By Senator Wood:

S. B. No. 8, A bill to be entitled "An Act to appropriate six million dollars (\$6,000,000.00) out of the general funds of the State to aid all the public schools for the scholastic years beginning September 1, 1923, and September 1, 1924, and ending August 31, 1925, respectively, the same to be distributed as the available school funds are now distributed."

To the Committee on Finance.

By Senator Wood:

S. B. No. 9, A bill to be entitled "An Act making certain emergency and supplemental appropriations out of the general revenues of the State for the several institutions and departments of the State government as named herein for the balance of the fiscal year ending August 31, 1923, and declaring an emergency."

To the Committee on Finance.

By Senator Wood:

S. B. No. 10, A bill to be entitled "An Act making appropriations to pay miscellaneous claims against the State and authorizing payment of said miscellaneous items on the taking effect of this Act, and declaring an emergency."

To the Committee on Finance.

By Senator Wood:

S. B. No. 11, A bill to be entitled "An Act making appropriations for the Department of Banking and for the Department of Insurance and Banking for two years beginning September 1, 1923, and ending August 31, 1925, repealing all appropriations made for the Department of Insurance and Banking as set forth in S. B. No. 32 passed by the Second Called Session of the Thirty-eighth Legislature, and declaring an emergency."

To the Committee on Finance.

By Senators Floyd, Strong and Thomas:

S. B. No. 12, A bill to be entitled "An Act repealing the Act passed by the Thirty-eighth Legislature at its Regular Session, approved January 31, 1923, the same being H. B. No. 17, entitled 'An Act requiring the Board of Water Engineers and the State Reclamation Engineer in conformity to the statutes determining their powers and duties to make, and cause to be made, and report to the Governor, an adequate topographic and hydrographic survey of the stream watersheds of the State, to the end that flood control, water conservation and economic utilization in reclamation development may be made practicable, advancing all such work as found feasible in accordance with the relative importance to the public welfare; providing for an appropriation to carry out the provisions of this Act, and declaring an emergency.'"

To the Committee on Finance.

By Senator Davis:

S. B. No. 13, A bill to be entitled "An Act levying an occupation tax on all lawyers in the State of Texas filing petitions for divorce in the district courts of the State, and declaring an emergency, and repealing all laws in conflict herewith"

To the Committee on State Affairs.

Additional Senate Employees.

The Chair (Lieutenant Governor T. W. Davidson) announced the appointment of the following employees of the Senate, in the places of several who have resigned:

Pages—Douglas Bell and Arnold Lawler.

Porter—Ananias James.

Senate Concurrent Resolution No. 3.

By Senator Davis:

Whereas, There is a discrepancy of approximately \$10,000,000 between the appropriations and revenues of the State for the ensuing two years; and

Whereas, There is such a diversity of opinion both in and out of the Legislature as to the proper

course to be pursued that there is grave danger of adjournment without having reached any solution; and

Whereas, The deficit will be so great by the fall and winter of 1923 that entire collection of taxes for this year will not extinguish it. The asylums and State institutions will run on credit at a great loss. The State employees and teachers in the schools must go unpaid, or cash their warrants at a discount, and a real calamity will menace the good name and credit of Texas. Therefore, be it

Resolved, By the Senate, the House of Representatives concurring, that a joint Conference Committee on the "Welfare of the State" be at once appointed by the Lieutenant Governor and the Speaker of the House, to consider ways and means of overcoming the deficit. That said committee hear the plans and proposals of members having suggestions to make, confer with the Governor and heads of departments and, after considering the good of the entire public, report its recommendations along with such bills and resolutions as will, when adopted, remove and overcome the discrepancy, and avoid the growing deficit in the State's Treasury. That said committee be composed of five members from each House, and that they meet, organize and report with all possible promptness and dispatch.

The resolution was read.

Senator Floyd moved to refer the resolution to the Committee on State Affairs.

On motion of Senator Clark, the motion to refer was tabled.

The resolution was then adopted.

Simple Resolution No. 8.

By Senator Holbrook:

Whereas, The life of a democracy depends upon public economy; and

Whereas, All revenue collected by the sovereign State should be limited to the necessities of its governmental agencies economically administered; and

Whereas, The burden of taxation retards enterprise, hampers industry, depresses labor, lessens credit,

and destroys the very substance upon which it is imposed; and

Whereas, A continuation of the present policy of large expenditures will not only hamper the growth of the State, but will, in the same ratio, reduce taxable values and in consequence thereof reduce the normal resources of the State government and eventually force retrenchments whereby our State institutions will be crippled, and will possibly deprive our children of the splendid advantages now afforded; and

Whereas, The people of the United States are now looking upon Texas as a fruitful territory for investment, but with great anxiety as to the safety of such investment, on account of the great number of special taxes already laid and with fear of measures threatened, in the numerous bills now pending; with the result that the credit of our industries is beginning to wane, and those contemplated are now practically suspended; and

Whereas, The continuation of inflated prices, exorbitant rents; the growth of business depression, the development of a large list of those who are delinquent in taxes, county, State and municipal, together with the vast number of delinquents in the interest due the school fund, and the stupendous sum in default upon the principal thereof, demonstrates that the limits of these burdens have been reached, and that a short crop, and a break in the market would bring to the farmer and business man chaos and bankruptcy, and a demoralization to all our industries; and

Whereas, The Thirty-eighth Legislature in its Regular Session made large appropriations aggregating more than seven million dollars, and in the Second Called Session appropriated nearly forty million dollars, or, in total, approximately forty-six million dollars, a sum equal to eight dollars per capita; and ten million dollars more than was ever appropriated by any other Legislature in the history of our State, exceeding the high period in 1921, following the Great War; and

Whereas, The appropriations so made are in excess of the available

revenue reasonably to be expected, of somewhere between four and eight million dollars, and the same cannot be met except by a reduction of appropriations or by levying additional taxes upon the ultimate consumer, who is already burdened with local assessments to cover interest and sinking fund on highway, levee, drainage, school and other bonds, besides State, county, municipal and Federal taxes, making a total sum for the next biennium of approximately \$40.00 per capita; and

Whereas, The Thirty-eighth Legislature is now confronted with the problem of laying additional burdens upon the people of the State, or realizing its responsibility to them, reducing expenditures of the government within the contemplated income of the next biennium. Now, therefore, be it

Resolved, By the Senate of the State of Texas in this the Third Called Session of the Thirty-eighth Legislature, that, as representatives of the people of Texas, and charged with the duty of conserving their resources, and relieving them from all unnecessary burdens, do not look with favor upon the enactment of any further revenue measures at this time, and declare ourselves to be in favor of reducing the appropriations made during the Regular and Second Called Sessions of the Thirty-eighth Legislature so as to come within the bounds of the State's revenue as now provided for.

The resolution was read.

Senator Stuart moved to table the resolution.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—17.

Baugh.	Pollard.
Bledsoe.	Rice.
Bowers.	Ridgeway.
Clark.	Rogers.
Darwin.	Stuart.
Davis.	Turner.
Lewis.	Witt.
McMillin.	Wood.
Parr.	

Nays—7.

Bailey.	Doyle.
Cousins.	Floyd.

Holbrook.
Strong.

Watts.

Absent.

Thomas.

Woods.

Absent—Excused.

Burkett.
Fairchild.

Murphy.
Wirtz.

H. C. R. No. 3.

The Chair laid before the Senate H. C. R. No. 3, as follows:

Whereas, Article 7377, Chapter 2, Title 126, Revised Civil Statutes of the State of Texas, 1911, amended by the Thirty-eighth Legislature, 1923, provided for a report of the total number of gallons of gasoline and gasoline substitute, as there defined, which was sold in the State of Texas; and

Whereas, A penalty of one cent per gallon for failure to file said report at the proper time, and a penalty of ten per cent of each month delinquent; and

Whereas, Under the ruling of the Attorney General the taxes levied under aforesaid Article 7377, as amended, would require the payment of four cents per gallon where the Legislature only intended to levy a one-cent tax; and

Whereas, Said bill is now in full force and effect and the Comptroller of the State of Texas is demanding a report to be filed by the 25th day of May, 1923, and threatens to assess a penalty as aforesaid; and

Whereas, The Second Called Session of the Thirty-eighth Legislature has passed an amendment to the aforesaid Article 7377, as amended, which said bill passed by two-thirds majority vote and is now awaiting the action of the Governor to approve or disapprove said bill as so amended; therefore, be it

Resolved, By the House of Representatives, the Senate concurring, that the Comptroller of this State is hereby requested to await the action of the Governor of the State of Texas on this bill as amended during the Second Called Session and until the Governor's action has been reported, the said Comptroller shall not assess any penalty whatsoever for failure to make report as demanded under the amendment to Article 7371, as

amended by the Thirty-eighth Legislature at its general session.

The resolution was read.

Senator Witt offered the following amendment to the resolution:

Amend H. C. R. No. 3 by striking out the last paragraph of same and substituting the following therefor:

"Therefore, Be it resolved by the House of Representatives, the Senate concurring, that the Comptroller of this State is hereby instructed not to assess any penalty whatsoever for failure to make report as demanded under the amendment to Article 7377, as amended by the Thirty-eighth Legislature at its general session, until after June first, 1923."

The amendment was adopted.

The resolution, as amended, was then adopted.

S. C. R. No. 4.

By Senator Cousins:

Resolved, By the Senate of Texas, the House of Representatives concurring, that the Third Called Session of the Thirty-eighth Legislature of the State of Texas adjourn sine die, May 31st, at 2 o'clock p. m.

The resolution was read, and on motion of Senator Rogers, was laid on the table subject to call.

Message from the House.

Hall of the House of Representatives,
Austin, Texas, May 22, 1923.

Hon. T. W. Davidson, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

S. B. No. 1, Making appropriation for contingent expenses of the Second Called Session of the Thirty-eighth Legislature.

S. B. No. 2, Making appropriation to pay per diem of members, officers and employees of the Second Called Session of the Thirty-eighth Legislature.

H. C. R. No. 3, Relating to penalty provided in the gasoline tax bill, passed at the Regular Session.

Respectfully submitted,

O. P. BASFORD,

Acting Chief Clerk, House of Representatives.

Bills Signed.

The Chair (Lieutenant Governor Davidson) gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

S. B. No. 1.

S. B. No. 2.

Adjournment.

On motion of Senator Bailey, the Senate at 5 p. m. adjourned until 10 o'clock a. m. tomorrow.

APPENDIX.

Committee Reports.

Senate Chamber,

Austin, Texas, May 22, 1923.

Hon. T. W. Davidson, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have carefully compared S. B. No. 2, and find same correctly enrolled and have this day at 4 o'clock p. m. presented same to the Governor for his approval.

DARWIN, Chairman.

Senate Chamber,

Austin, Texas, May 22, 1923.

Hon. T. W. Davidson, President of the Senate.

Sir: We, your Committee on Enrolled Bills, have carefully compared S. B. No. 1, and find same correctly enrolled and have this day at 4 o'clock p. m. presented same to the Governor for his approval.

DARWIN, Chairman.

Petitions and Memorials.

Lieutenant Governor Davidson offered and had read a telegram from Pecos Chamber of Commerce protesting against enactment of any tax measures. Also a letter from all fraternal societies of Franklin, Texas, protesting against taxing fraternal societies.

Senator Floyd sent up and had read telegrams from the following, all protesting against any increase in taxes:

A. M. Graves, President Bankers' Association.

Frank Denman, Secreatry Chamber of Commerce, Mt. Vernon.

C. C. McKinney, President Lions' Club, Cooper,

Cooper Chamber of Commerce.

Mt. Pleasant Chamber of Commerce.

Mt. Pleasant Lions' Club.

Senator Woods offered and had read a petition, numerously signed, protesting against income tax, or any other tax measures.

Senator Clark sent up and had read a numerously signed petition from Bellville, urging the defeat of

the proposed tax on fraternal societies. Also a telegram from Weimar, signed by secretaries from various lodges, protesting also against this same proposed tax measure.

Senator Watts sent up and had read a telegram from Hill County Farm Bureau asking that no further burden of taxation be placed upon the people. Also telegram of same tenor from Hill County Bankers' Association, and from H. E. Muller, Ennis.

Appropriations.

Appropriation by Regular Session.....	\$6,914,500	
Estimated deficit, August 31, 1923.....		\$3,419,097

Appropriated Second Called Session, available present year:

Mileage and per diem.....	\$	80,000
Contingent.....		30,000
Red River boundary.....		20,000
Live Stock Commission.....		15,000
Sam Houston monument.....		25,000
Adjutant General's Department.....		52,000
Deficiency appropriation.....		56,000
Blue Sky law.....		7,500
Electrocution law.....		5,000
Emergency appropriation.....		335,761
Miscellaneous appropriation.....		829,485

\$1,456,398

Deduct emergency for Highway Department, to be paid out of special fund.....		81,000
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\$1,375,398:

Inasmuch as these items are subject to warrant issue during present fiscal year, the total, if approved, will increase deficit against general revenue as of August 31, 1923.

Appropriated by the Regular Session and Second Called Session for the two years ending August 31, 1925:

	Ending Aug. 31, 1924	Ending Aug. 31, 1925
Judiciary.....	\$ 1,624,037	\$ 1,611,847
Eleemosynary.....	3,826,420	3,409,565
Departmental.....	3,415,265	3,255,452
Educational.....	6,013,888	5,884,236
Public schools.....	3,000,000	3,000,000
Rural aid.....	1,500,000	1,500,000
By Regular Session.....	847,500	1,418,759
	\$20,227,110	\$20,079,859

Total for the two years.....	\$40,306,969
Plus appropriation available immediately.....	1,375,398

Total appropriated.....	\$41,682,367
Additional appropriation by Regular Session.....	4,648,241

Total appropriated by Thirty-eighth Legislature, Regular and Called Sessions.....	\$46,330,608
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	Ending Aug. 31, 1924	Ending Aug. 31, 1925
Brought forward.....		\$46,330,608
To be paid out of revenue deposited to credit of special accounts:		
Fire Insurance Department.....	\$ 366,000	
Fish, Game and Oyster Department.....	252,000	
Highway Department, 2 years.....	1,308,840	
	<u>\$1,926,840</u>	<u>1,926,840¹</u>
Total appropriated against general revenue.....		\$44,403,768

Revenue.

Estimated general revenue, 2 years, ending August 31, 1925.....	\$33,100,000	
Estimated deficit, August 31, 1923.....	3,419,097	
Net available general revenue, up to and inclusive of August 31, 1925.....		\$29,680,903
Total appropriated by Regular and Called Session for two fiscal years.....		\$41,682,367
Amount charged to special fund, as above.....		<u>1,925,840</u>
Total against general revenue.....		\$39,755,527
Making a deficit of general revenue as of August 31, 1925, as against appropriations, exclusive of any additional sums as may arise under new revenue measures	10,072,624	
	<u>\$39,755,527</u>	

Based upon present production of crude oil (one hundred million barrels) and the present average price of \$1.50 per barrel, the increase of revenue from this source under the 2% gross tax, compared to the Comptroller's last annual report, as follows:

100,000,000 barrels, at \$1.50.....	\$150,000,000
Tax, at 2%	\$ 3,000,000
Received last year (fiscal).....	2,441,731
Increase, per year.....	\$ 558,269
Increased revenue for 2 years.....	\$ 1,116,538
Increase, July, 1923, quarterly payment.....	139,554

Total increase, 2 ¼ years.....	\$ 1,256,092
Deficiency of general revenue, as indicated as of August 31, 1925	\$10,072,624
Less increased revenue from oil tax.....	1,256,092

Deficit, August 31, 1925.....	\$ 8,816,532
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Note.—To this estimated deficit must be added any appropriations made by the Third Called Session.

The total of deficiency as shown will, of course, be subject to additional revenue to arise from other tax measures that may be enacted, which is entirely problematical. It is doubtful, however, if these measures can be relied upon to produce, annually, in excess of one million dollars.

The above statement, furnished by Hon. John G. Willacy, State Tax Commissioner, was submitted by Lieutenant Governor T. W. Davidson, and ordered printed in the Journal by unanimous consent.

Appropriations by Legislature.

By W. C. Edwards, Member of House Appropriations Committee.

The Texas Bankers' Association and one or two Chambers of Commerce have adopted resolutions demanding that the Legislature cut down its appropriations to a point where appropriations and the existing deficiency will be taken care of without additional taxation. None of the resolutions offer any solution of the problem before the Texas Legislature in the way of caring for the needs of existing and recently created institutions which were established in response to an apparently general need. They merely demand "reductions," with no details as to how these reductions may be secured without serious impairment of the work the State Government has undertaken.

One is quite sure every legislator would welcome any constructive criticism that would help to find a solution for the vexing problem of making income and outgo jibe, but a mere demand to cut the totals without offering any way whereby that demand may be met without detriment to the best interests of the whole public is neither constructive nor helpful, but, to the contrary, hurtful. One wonders if the bankers and other critics have gone into the details of the appropriations complained of or if they have merely looked at the aggregate with no understanding of why it should be increased.

It is in a spirit of helpfulness that some of the matters below are presented that there may be a somewhat better understanding of the problem, in the hope that a real solution may be forthcoming.

Four Big Budgets.

The Legislature is called upon biennially to take care of four big budgets — judiciary, departmental, eleemosynary and educational. The judiciary is largely statutory, in that most of the salaries are fixed by statute and cannot be changed in an appropriation bill. The departmental budget provides for support of the State Government in its various constitutional and statutory de-

partments. The eleemosynary provides for the support of the eighteen eleemosynary institutions, including the Confederate House, the Confederate Widow's Home, the State Orphans' Home, the Home for Dependent and Neglected Children, Juvenile Training School, Girls' Training School, Colored Deaf and Dumb Institute, Hospital for Crippled Children, Tuberculosis Sanitarium, Colony for Feeble-Minded, Epileptic Colony, Pasteur Institute and the five asylums for the insane. The educational includes the appropriations for the University and its two branches at Galveston and El Paso, the A. & M. College and its branches at Prairie View, Stephenville and Arlington; the experiment station and its seventeen or eighteen substations (two of which were created this year in Cameron and Wichita Counties), the State forestry work, the A. & M. Extension service, with its multifold activities in co-operation with the Federal Government; the College of Industrial Arts, the eight teacher colleges, the School for the Blind and the School for the Deaf.

There has been no material increase in the judiciary budget, despite the new courts created at the regular session. There has been no material increase in the departmental budget, in so far as the general revenue is concerned, because the departments in which there were increases were the Highway and the Game, Fish and Oyster Commission, both of which, along with the Department of Insurance and Banking, are supported by their fees and special taxes.

There were increases in the eleemosynary and the educational budgets. By reason of the fact that it included a building program totaling roughly \$1,650,000, the increase in the former was relatively much the greater of the two. But at that, the appropriations for the eleemosynary institutions were hardly adequate for immediate and pressing needs, since it was absolutely necessary to provide additional facilities for the reception, care and treatment of the State's unfortunates—a situation that demands our commiseration, but surely not our

criticism. Any reduction in the eleemosynary budget would be indefensible and a dodging of the burden that humanity long since has accepted as a fundamental principle of government.

The Educational Budget.

The educational budget is the largest of the four. The total, as it passed the Free Conference Committee and adopted by the House and Senate, carries \$11,886,000. This is an apparent increase of about \$1,500,000 over the preceding biennium, but when it is considered that over \$400,000 of it is for carrying out the State's seven-year-old contract with the people of Kingsville, that \$300,000 of it is for the one educational building allowed in the budget to take the place of one wrecked by storm at the Commerce Teachers College, that \$420,000 is for the operation of the new college at Nacogdoches, and that \$50,000 is for the maintenance of the executive staff of the newly-created Texas Tech, the increase really is cut to less than \$800,000—\$400,000 a year—or less than 8 per cent, while the attendance figures have gone upward from 15 to 40 per cent, possibly 25 per cent on an average, most of it within the last year and after the budgets were prepared early in 1922.

The principal new factor in bringing appropriations to so high a figure—total is placed at \$46,000,000—is the policy of providing aid for the public schools out of the general revenues. The Thirty-eighth has appropriated \$12,000,000 for this purpose, \$3,000,000 at the Regular Session to supplement the available school fund for the current biennium, \$6,000,000 more at the called session and \$3,000,000 more for rural aid. Establishment of the Texas Technological College, in response to a real and reasonable demand from West Texas for a college of the first-class, carried \$1,000,000 more. The reclamation and conservation Act, enacted in response to a State-wide demand, carried \$600,000 for the biennium.

Where Will You Cut?

The question, then, presents itself to critics of the total, "Where shall we cut?"

The judiciary bill cannot be reduced more than a few thousand dollars at the outside if our courts are to be maintained. The departmental totals, with the exception of the self-supporting Highway and Game, Fish and Oyster Departments, are imperceptibly, if any, higher than those of the Thirty-seventh, which none would accuse of extravagance. The eleemosynary budget shows a considerable increase, but it is principally for new buildings to take care of the State's unfortunates. The educational budget shows an increase, but even with the new institutions provided for and the one new building included, it is not as much as the increased attendance at the University and the several colleges would warrant. The \$12,000,000 for the public schools is a considerable increase, but the money is imperatively needed if we are to elevate the standards of our public schools to the point desired. Except in the direst necessity, would the friends of education reduce or eliminate the amount for this purpose provided by this session? Surely not.

The question recurs: "Where will you reduce?"

Since the judiciary and departmental budgets cannot be cut much by even the most pernicious economist, the three places left to cut are the eleemosynary, the educational, the public school appropriations.

With our jails carrying hundreds of insane persons, who deserve to be treated as unfortunates and not as criminals, with hundreds of others cared for by their families simply because of lack of facilities at our insane asylums; with the Orphans' Home and most of the other institutions for our unfortunate and underprivileged children crowded; with the Confederate Home and Confederate Widows' Home filled to overflowing and with long waiting lists of old men and women whom we must care for now or never, because they will not be with us many more years—with these facts admitted, can Texas cut its eleemosynary budget by denying admittance to its in-

stitutions of those who are the public's wards?

All Needs Not Met.

The educational budget looks large. Except for the public schools, its total is larger than for any other single phase of governmental activity. But when it is considered that it includes maintenance for one newly opened institution (Nacogdoches), \$416,000 for the long delayed establishment of another (Kingsville), and for the salaries of the staff of a newly created institution yet to be located (Texas Tech), not to mention provision for an increased average attendance of around 25 per cent at existing institutions, the seeming increase rapidly diminishes. It would have been very much larger had the Legislature undertaken to care for pressing needs at virtually every State institution in the way of buildings, for it should be remembered that outside one or two calamitous emergencies there has not been a building program for the State's educational institutions during the past biennium and that none can be had during the next—the first quadrennium in recent Texas history during which no additional buildings have been provided for the higher institutions of learning. The budget as prepared by the Board of Control included only institutions existing at the time. Neither the Texas Tech nor the Kingsville Teachers College was among them. Existing institutions presented requests to the board for the next biennium totaling \$20,296,086, including new buildings considered necessary if they were to provide educational opportunities for our young men and women that most of us believe they are entitled to have. The Board of Control promptly slashed nearly \$7,000,000 from these requests, not because they were unreasonable, but because it cannot recommend budgets in excess of the available means. These requests, it should be remembered, were made up early in 1922. Since then the increased attendances have been noticeably large. The Senate went through the board's budget and slashed it from \$13,769,137 to \$12,184,000. The House, also, took a whack and cut the board's total down to \$11,791,000.

Measure of Economy.

In passing it should be stated that the main factor in making the House's further reduction a reasonable cut was that it made up its appropriations in three lump sums for salaries, for maintenance and for repairs and small betterments. This plan was put forward and "sold" to both the Appropriations Committee and House and then to the Senate by Judge P. G. Henderson of Marion, vice-chairman of the Appropriations Committee. Dr. Vinson said that under this plan the University could be maintained on \$100,000 a year less than his requested budget without impairment of efficiency, and all other educators who have expressed themselves on it have been gratified at the change from extreme itemization, which began in 1914 and which has continued in effect since.

The Free Conference Committee, appointed to reconcile differences between Senate and House bills, raised the House bill \$94,000 and reduced the Senate bill \$297,000. The new total was \$11,886,000. The free conference report was nearly \$9,000,000 under the requests of the institutions to the Board of Control. It was nearly \$2,000,000 less than the Board of Control recommended after cutting it roughly 40 per cent. For existing institutions it was less than 8 per cent above the totals of the Thirty-seventh Legislature, which, because of unsettled financial and economic conditions, cut every institution and every department to the bone two years ago. Would the critics now have the Legislature make still a deeper cut, even if it crippled the State's institutions of higher learning? Would they have the new institutions, created in response to a general demand and a genuine need, struck out altogether? Would they deny the young men and women of the State the right to get their education from State-supported schools?

This brings the matter down to the public school appropriations. Is not every Texan concerned in bringing our public schools to the standards that obtain in other wealthy and progressive States? Are Texas citizens unwilling to provide the means of giving a public school education of the right sort to our boys and girls, even at the cost of slightly heavier

taxes? The \$3,000,000 provided at the Regular Session went for the 1922-23 school year. The \$6,000,000 is to give an equal sum for each of the next two years. The \$3,000,000 rural aid is designed to help smaller districts which have not within their confines the taxable values necessary to give them the right kind of schools that it is to the public interest that they should have.

Budgets in Brief.

A brief recapitulation of the budgets, showing what was requested by the institutions and departments, what was recommended by the Board of Control and what was given in final action by the Legislature, is interesting here.

The judiciary requested \$3,531,790, the board recommended \$3,150,524, a reduction of \$381,266, and the conference report total was \$3,235,968, an increase of \$85,444. This increase is due to the one new Court of Civil Appeals and the several new district courts created. Increases over 1921-23, \$183,883.

The eleemosynary institution heads requested \$10,907,945. The board recommended \$8,148,885, a reduction of \$2,579,060, and the Legislature cut this to \$7,235,985, a further reduction of \$912,900. Increase over 1921-23, \$1,381,444.

The departments asked \$7,807,765 and were cut to \$5,900,785, a reduction of \$1,906,980. The Legislature raised this to \$6,620,718, an increase of \$719,933. This increase was largely due to the increases allowed the Highway Commission for new duties put upon it by legislation enacted at the Regular Session, including taking over the maintenance of all State highways from the counties. Increase over 1921-23, \$1,352,699.

Educational institutions requested \$20,296,086. They are recommended to get \$13,769,138. Those institutions, for which that total recommendation was made, got \$11,430,000 in round numbers, which is \$8,866,000 below the requests and \$2,339,000 below the board's recommendations, which, however, included \$1,760,000 in permanent improvements, which were disallowed by the Legislature. Increase over 1921-23 for existing institutions, \$1,018,000.

Where Shall Knife be Used?

Where are the critics going to cut? They cannot materially reduce the judiciary or departmental budgets. They can not further cut the eleemosynary budget. Would they cripple the State's higher institutions of learning and deny to the public schools the aid that they so badly need?

The question apparently resolves itself into this: Shall we provide for our departments and institutions and schools and increased governmental activities that have been undertaken in response to a public demand, or shall we, by ox-cart economy, reduce them to the point of inefficiency to the untold disadvantage of the whole State?

Estimated revenues for the next biennium are put at \$40,000,000, exclusive of the inheritance tax, whose author says it will raise at least \$4,000,000 a year, and of the new delinquent tax law, which is expected to collect \$1,000,000 a year.

A reasonable tax on interests and sources that are now escaping their just proportion of the financial burden for the support of the State Government, together with a reasonable income tax, with credit for State ad valorem taxes paid, which alone would doubtless produce \$5,000,000 a year, would take care of the deficiency now, and within a few years, it is claimed, would permit a material lowering of the State ad valorem if, indeed, it did not, with slight alterations, take out altogether that form of taxation for State purposes.

With these facts before them, what do the people of Texas want done about it?

On motion of Senator Rogers, the above article was ordered printed in the Journal.

Communication.

At request of the Chair, the following letter from former Senator R. M. Dudley was ordered printed in the Journal:

El Paso, Texas, May 17, 1923.
Hon. T. W. Davidson, Lieutenant Governor, Austin, Texas

Dear Governor: I have yours of the 14th. I sympathize with you. While we are out here in cool, sunny

West Texas, you are being smothered with heat and the political atmosphere in Austin.

Referring again to the narcotic matter which I mentioned in my wire and about which you ask now, I would say this: The narcotic vendor is usually a desperate man, generally a narcotic user, and does not hesitate to kill, if necessary. He is a menace all along the border, especially at large places like El Paso, and they smuggle their stuff very easily because it is in such small packages, and then distribute it all over the United States.

What I would like to see is a law—and I hope you can get it passed—providing that when a narcotic vendor is arrested and found with deadly weapons on him and is then convicted, the penalty will be much severer than if he did not have the weapons. We have had one of our best policemen killed by a narcotic fiend recently, and another is now just recovering from fearful wounds from a narcotic fiend. The penalty for conviction for sale of narcotics is not sufficiently strong when the man is found with deadly weapons. The reason I wired you about it was because I saw that such a bill was in the proposed list of bills. I am inclined to think that if some of my friends on the floor of the Senate would draw up a bill referring exclusively to narcotics, there would be no trouble about its passing, because no honest man can oppose it, and make the "punishment fit the crime." The whole border of the State needs the law. There is no question but what bootleggers can be men who don't drink, but a narcotic vender is most always a man who uses narcotics, or rather, I should say, the man who gets them across the border and sells them.

I believe the good lawyers of the Senate could draw up such a bill as I have indicated, and if they will do so I would appreciate it very much, and I wish I could sign my name with them on the bill.

With best wishes to all my good friends in the Senate and yourself, I remain,

Yours very truly,

R. M. DUDLEY.

FOURTH DAY.

Senate Chamber,
Austin, Texas,

Wednesday, May 23, 1923.

The Senate met at 10 o'clock a. m. pursuant to adjournment, and was called to order by Lieutenant Governor T. W. Davidson.

The roll was called, a quorum being present, the following Senators answering to their names:

Bailey.	Parr.
Baugh.	Pollard.
Bledsoe.	Rice.
Bowers.	Ridgeway.
Clark.	Rogers.
Cousins.	Strong.
Darwin.	Stuart.
Doyle.	Turner.
Fairchild.	Watts.
Floyd.	Witt.
Holbrook.	Wood.
Lewis.	Woods.
McMillin.	

Absent—Excused.

Burkett.	Thomas.
Davis.	Wirtz.
Murphy.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Watts.

Excused.

Senator Wirtz for today, on account of important business, on motion of Senator Bailey.

Senator Thomas for today, on account of important business, on motion of Senator Strong.

Senator Davis for today, on account of important business, on motion of Senator Ridgeway.

Senators Burkett and Murphy for today, on account of important business, on motion of Senator Pollard.

Senators Lewis, Rice, Murphy and Baugh for last Monday, on account of important business, on motion of Senator McMillin.

Bill on First Reading.

The following bill, introduced today, was read first time and referred to appropriate committee as follows: